



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

SB2635

Introduced 2/4/2004, by Terry Link, William E. Peterson

SYNOPSIS AS INTRODUCED:

- 35 ILCS 200/27-25
- 35 ILCS 200/27-30
- 35 ILCS 200/27-35
- 35 ILCS 200/27-40
- 35 ILCS 200/27-45
- 35 ILCS 200/27-75

Amends the Property Tax Code. Sets forth additional requirements for notifications concerning: (i) the levy or imposition of a tax in a special service area; (ii) the establishment of a special service area; (iii) tax liens in a special service area; (iv) boundary alterations of a special service area; and (v) the issuance of bonds in the special service area.

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FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning taxes.

2 **Be it enacted by the People of the State of Illinois,**
 3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing
 5 Sections 27-25, 27-30, 27-35, 27-40, 27-45, and 27-75 as
 6 follows:

7 (35 ILCS 200/27-25)

8 Sec. 27-25. Form of hearing notice. Taxes may be levied or
 9 imposed by the municipality or county in the special service
 10 area at a rate or amount of tax sufficient to produce revenues
 11 required to provide the special services. Prior to the first
 12 levy of taxes and prior to any increase in the rate or amount
 13 of the tax in the special service area, notice shall be given
 14 and a hearing shall be held under the provisions of Sections
 15 27-30 and 27-35. For purposes of this Section the notice shall
 16 include:

17 (a) The time and place of hearing;

18 (b) The boundaries of the area by legal description and
 19 by street location, where possible;

20 (c) The estimated amount of funding required;

21 (d) The stated need for the proposed special service
 22 area;

23 (e) ~~(e)~~ A notification that all interested persons,
 24 including all persons owning taxable real property located
 25 within the special service area, will be given an
 26 opportunity to be heard at the hearing regarding the tax
 27 levy and an opportunity to file objections to the amount of
 28 the tax levy if the tax is a tax upon property; and

29 (f) ~~(d)~~ The ~~maximum~~ rate of taxes to be extended within
 30 the special service area, the estimated amount of the taxes
 31 to be levied within the special service area, in any year
 32 and the ~~may include a~~ maximum number of years taxes will be

1 levied.

2 The taxes ~~After the first levy, taxes may be extended~~
3 ~~against the special service area for the services specified~~
4 ~~without additional hearings. However, the taxes shall not~~
5 exceed the rate specified in the notice and ~~if a maximum number~~
6 ~~of years is specified in the notice, the taxes shall not be~~
7 extended for a longer period than the number of years specified
8 in the notice. Tax rates may be increased and the period
9 specified may be extended, if notice is given and new public
10 hearings are held in accordance with Sections 27-30 and 27-35.
11 (Source: P.A. 82-640; 88-455.)

12 (35 ILCS 200/27-30)

13 Sec. 27-30. Manner of notice. Prior to or within 60 days
14 after the adoption of the ordinance proposing the establishment
15 of a special service area or before an increase in the tax rate
16 or amount the municipality or county shall fix a time and a
17 place for a public hearing. Notice of the hearing shall be
18 given by publication and mailing, except that notice of a
19 public hearing to propose the establishment of a special
20 service area for weather modification purposes may be given by
21 publication only. Notice by publication shall be given by
22 publication at least once not less than 15 days prior to the
23 hearing in a newspaper of general circulation within the
24 municipality or county. Notice by mailing shall be given by
25 depositing the notice in the United States mails addressed to
26 the person or persons in whose name the general taxes for the
27 last preceding year were paid on each property lying within the
28 special service area. A notice shall be mailed not less than 10
29 days prior to the time set for the public hearing. In the event
30 taxes for the last preceding year were not paid, the notice
31 shall be sent to the person last listed on the tax rolls prior
32 to that year as the owner of the property.

33 (Source: P.A. 82-282; 88-455.)

34 (35 ILCS 200/27-35)

1 Sec. 27-35. Public hearing; protests and objections. At the
2 public hearing, any interested person, including all persons
3 owning taxable property located within the proposed or existing
4 special service area, may file with the municipal clerk or
5 county clerk, as the case may be, written objections to and may
6 be heard orally in respect to any issues embodied in the
7 notice. The municipality or county shall hear and determine all
8 protests and objections at the hearing and the hearing may be
9 adjourned to another date without further notice other than a
10 motion to be entered upon the minutes fixing the time and place
11 it will reconvene. At the public hearing or at the first
12 regular meeting of the corporate authorities thereafter, the
13 municipality or county may delete area from the special service
14 area. However, the special service area must still be a
15 contiguous area as defined in Section 27-5.

16 (Source: P.A. 82-640; 88-455.)

17 (35 ILCS 200/27-40)

18 Sec. 27-40. Boundaries of special service area. No lien
19 shall be established against any real property in a special
20 service area nor shall a special service area create a valid
21 tax before a certified copy of an ordinance establishing or
22 altering the boundaries of a special service area, containing a
23 legal description of the territory of the area, a survey or
24 plat covering the entire area, and a description of the special
25 services to be provided is filed for record in the office of
26 the recorder in each county in which any part of the area is
27 located. The ordinance must be recorded no later than 60 days
28 after the date the ordinance was adopted. An ordinance
29 establishing a special service area recorded beyond the 60 days
30 is not valid. The requirement for recording within 60 days
31 shall not apply to any establishment or alteration of the
32 boundaries of a service area that occurred before September 23,
33 1991.

34 (Source: P.A. 90-218, eff. 7-25-97.)

1 (35 ILCS 200/27-45)

2 Sec. 27-45. Issuance of bonds. Bonds secured by the full
3 faith and credit of the area included in the special service
4 area may be issued for providing the special services. Bonds,
5 when so issued, shall be retired by the levy of taxes in
6 addition to the taxes specified in Section 27-25 against all of
7 the taxable real property included in the area as provided in
8 the ordinance authorizing the issuance of the bonds or by the
9 imposition of another tax within the special service area. The
10 county clerk shall annually extend taxes against all of the
11 taxable property situated in the county and contained in such
12 special service area in amounts sufficient to pay maturing
13 principal and interest of those bonds without limitation as to
14 rate or amount and in addition to and in excess of any taxes
15 that may now or hereafter be authorized to be levied by the
16 municipality or county. Prior to the issuance of those bonds,
17 notice shall be given and a hearing shall be held pursuant to
18 the provisions of Sections 27-30 and 27-35. For purposes of
19 this Section a notice shall include:

20 (a) The time and place of hearing;

21 (b) The boundaries of the area by legal description and
22 by street location, where possible;

23 (c) The estimated amount of funding required;

24 (d) The stated need for the proposed special service
25 area;

26 (e) A statement indicating who will be responsible for
27 maintenance of the special services after the life of the
28 bond;

29 (f) ~~(e)~~ A notification that all interested persons,
30 including all persons owning taxable property located
31 within the special service area, will be given an
32 opportunity to be heard at the hearing regarding the
33 issuance of the bonds and an opportunity to file objections
34 to the issuance of the bonds; and

35 (g) ~~(d)~~ The maximum amount of bonds proposed to be
36 issued, the maximum period of time over which the bonds

1 will be retired, and the maximum interest rate the bonds
2 will bear.

3 The question of the creation of a special service area, the
4 levy or imposition of a tax in the special service area and the
5 issuance of bonds for providing special services may all be
6 considered together at one hearing.

7 Any bonds issued shall not exceed the number of bonds, the
8 interest rate and the period of extension set forth in the
9 notice, unless an additional hearing is held. Bonds issued
10 pursuant to this Article shall not be regarded as indebtedness
11 of the municipality or county, as the case may be, for the
12 purpose of any limitation imposed by any law.

13 (Source: P.A. 82-640; 88-455.)

14 (35 ILCS 200/27-75)

15 Sec. 27-75. Extension of tax levy. If a property tax is
16 levied, the tax shall be extended by the county clerk in the
17 special service area in the manner provided by Articles 1
18 through 26 of this Code based on equalized assessed values as
19 established under Articles 1 through 26. The municipality or
20 county shall file a certified copy of the ordinance creating
21 the special service area, including an accurate map thereof and
22 the stated need for the special service area, with the county
23 clerk. The corporate authorities of the municipality or county
24 may levy taxes in the special service area prior to the date
25 the levy must be filed with the county clerk, for the same year
26 in which the ordinance and map are filed with the county clerk.
27 In addition, the corporate authorities shall file a certified
28 copy of each ordinance levying taxes in the special service
29 area on or before the last Tuesday of December of each year and
30 shall file a certified copy of any ordinance authorizing the
31 issuance of bonds and providing for a property tax levy in the
32 area by December 31 of the year of the first levy.

33 In lieu of or in addition to an ad valorem property tax, a
34 special tax may be levied and extended within the special
35 service area on any other basis that provides a rational

1 relationship between the amount of the tax levied against each
2 lot, block, tract and parcel of land in the special service
3 area and the special service benefit rendered. In that case, a
4 special tax roll shall be prepared containing: (a) an
5 explanation of the method of spreading the special tax, (b) a
6 list of lots, blocks, tracts and parcels of land in the special
7 service area, ~~and~~ (c) the amount assessed against each, and (d)
8 the stated need for the special service area. The special tax
9 roll shall be included in the ordinance establishing the
10 special service area or in an amendment of the ordinance, and
11 shall be filed with the county clerk for use in extending the
12 tax. The lien and foreclosure remedies provided in Article 9 of
13 the Illinois Municipal Code shall apply upon non-payment of the
14 special tax.

15 (Source: P.A. 83-1245; 88-455.)